



Savings at Tax Time
January 10, 2012

Coordinator: Welcome and thank you for standing by. Currently all participants are on listen-only for the presentation. At the time of the question and answer session please press star then 1 to ask your question.

Today's call is being recorded. If anyone objects they may disconnect at this time. I'd like to turn the conference over to (Stephanie Wharton). You may begin.

(Stephanie Wharton): Thank you. Hello, my name is (Stephanie Wharton) and I'm with the Administration for Children and Families with the Department of Health and Human Services. I work within the Office Community Services specifically on the assets for independence program which I know is a lot of government words for you so I apologize.

But basically the Office of Community Services is sponsoring this Webinar on behalf of ACS so I would like to welcome everyone to the call today. We have a great panel of speakers and practitioners with us to talk about savings at tax time which is really important.

As you know tax season is about to start within the next two weeks and this is a great opportunity to work with our clients and with our partners to make sure that they're saving at tax time.

So with - our first speaker we have today is Preeti Mehta from the Doorways to Dreams fund. She's the Director of Evaluation there and she's going to talk to us about savings bonds.

We also have with us Miriam Savad. She's the Savings Program Manager at Capital Asset Area Builders. They're a current assets for independent grantee and then help run the city wide VITA site program for Washington, D.C.

And then we also have with us Jenny Graybill who's the Program Coordinator with the Human Services Programs of Carroll County and so they're a community action program that does receive funding from ACF.

So we do have some great grantees on the call and partners with that I will turn it over to Preeti

Preeti Mehta: Hello, everyone. I am grateful for this opportunity, Stephanie, so thanks for having D2D on the call. You should all have this slide that is the beginning of my

presentation which is the title slide Saving Is Hard, Bonds Make It Easy. And that is the - our campaign slogan for the tax time savings bonds and I'll get into the campaign itself a little bit later.

But I'm going to be talking about an opportunity that is available to all tax payers that get a refund and it's about the ability to use a portion of your refund to save at tax time in savings bonds.

So a little bit about D2D. we were founded in 2000 and we're a small non-profit. We are based in Massachusetts in (Boston) actually. We just moved. So we were in Roxbury for those of you who know the area but we are very close to Boston.

And our mission is to strengthen the financial opportunity and security of low to moderate income consumers. And the way we do that is we innovate at the local level and think about what kinds of products will - financial products and policies will help serve our mission. And one of the products - the product I'm talking about today is one of our policy successes that resulted from this process.

So our mission is to help people with their financial security - lower income people to have financial security. Now this is a challenge because we all know that saving is hard but it's harder for lower income people because, you know, the obvious reasons, they have limited income.

And there's a lot of pressure for people to buy anywhere, everywhere and there's a few opportunities for people to do that, right? So the financial services industry does not serve the population we work with very well. I'm sure many of you on the call are aware of that.

Most people who save save because the institutions offer them opportunities but low income people have very little of this kind of opportunity available to them. And on the slide there we talk about 401K plans as an example.

But even just savings accounts are difficult for people to get if they've had bad hits financial history for maybe a mistake they made, you know, five years ago, ten years ago.

So it's a challenging problem but it's something that we think about a lot and look for opportunities to be able to serve this population with savings products that work for them.

One such opportunity is tax time. I don't know how many of you on the call are focused on tax time. I imagine many of you are familiar with VITA sites or at least know about them but a significant amount of funds are returned to low income families every year. Roughly about 1680 on average and in some cases that's up to 20% of someone's annual income.

Other elements come together at tax time. For many of us we go to tax preparers and tax preparers are a trusted advisor for a lot of us and it's also convenient. Your funds are available. You are at the tax site.

The tax preparer is prepared to help you answer any questions. And so you don't have to do any sort of preplanning because the funds are available. You don't have to move it one to another. So a lot of elements come together to make tax time a very favorable time in which to save.

So what is this tax time savings bond opportunity? At D2D I talked about - trying to think about ways - innovative ways to help people save but I would say back in 2006 or 7 we started thinking about - you know, we realized this tax time was this great opportunity to help people save but there weren't really any products out there that could help people save in a way that we thought was something they would be able to hold onto. Something that was long term. Savings accounts are great but they're easy to draw down.

So we started thinking about savings bonds and used to be that savings bonds were available on the tax form back in 1962 and we thought why not bring that opportunity back to people.

There are several things that are different today than they were back in the 60s and one of them is this ability to be able to split your refund. So there is a form on the 1040 called the form 8888 which allows you to split your refund into a couple of different accounts and as of 2009 into savings bonds as well.

And so back in 2007 we tested this idea of savings bonds will actually be something people will like. And it turned out that it was and I wanted to show you - talk about the findings from our pilot work in the field in a little bit.

But I did want to talk about the policy that was enabled in 2009 because you were able to show not only from our research but from a lot of our partners around the country advocated for this product because they saw from the pilot work that their clients and the people that they were trying to serve thought that this was good product.

So as of 2009 this is an opportunity that's available to everybody who gets at least \$50 in a refund. So it's nearly universal and it reaches about 100 million refunded recipients nationwide.

It's easy to do because all you have to do is use Form 8888, write the name of the person you want to buy a bond for. If it's yourself you just have to check a box so it's pretty easy to do and you don't have to do any planning beforehand.

So we think about this opportunity as an impulse saving opportunity which is nice because there's so many ways you can impulse spend, right? So to think about saving is - without any forethought and in an easy and convenient way - is very helpful.

And everybody can save whether you've saved before or not you do have the funds available now if you're getting a refund anywhere close to the average that I talked about earlier.

And this is actually one of the few ways you can buy a savings product for someone. So if you want to gift a child or a grandchild you can do it right on the form.

So a little bit more about more detail about the bonds that you purchased by the tax filing process. I've already talked about the split refund form which is Form 8888. You can buy bonds for yourselves and for others. And after you do that at tax time the paper bonds are mailed to you - to your address on the tax return about three weeks after the date the return is filed.

And you can buy \$50 to \$5000 worth in bonds and this is a particular feature of this tax time opportunity that it has to be in multiples of 50. And you can get the rest of your refund in many ways. You can actually put it into one of three bank accounts. One of those accounts could even be an IRA. You can also get a portion of it in a check.

So it's really quite a flexible infrastructure that allows you to think about using your refund money in many ways. Many of us already have it spent, right? We have bills to pay, rent to pay, all kinds of things to do with our money but you can still do that and save.

And one of the key points here is the barrier to entry is very low. It's \$50 only. So even if you think you can't really save the \$50 is for a lot of people doesn't present a significant challenge if you're getting refunds of, you know, 1680 on average and the range can be quite high. I've seen people get refunds of \$7000, \$8000. Putting away \$50 is often seen as not such a great challenge for people.

Now many of you may not know this but as of December 31st of last year the option to buy paper savings bonds in banks and credit unions which used to be the case has been discontinued.

So now the only way you can get paper bonds is through the tax filing process. You can still go online and get electronic bonds but this is now going to be the only way you can get paper savings bonds.

And we found through our pilots that people like the tangibility offered by the paper savings bonds. And the electronic system is very difficult to use for a lot of people and many folks don't have access to broadband technology so it's slow. So this is the one option that is something that people will still be able to use for the paper version of the bond.

Okay. I'm going to get into a little bit about the bonds now. Even though you can't purchase savings bonds at banks and credit unions as of January 1st, you can still redeem them. So if you bought bonds in the past and you have them sitting in your safe deposit box or your or in your drawer at home you can cash them in at banks and credit unions.

There's about 55 million Americans that own savings bonds so there's a lot of bonds out there that will need to be redeemed through the year so that option will still be available.

They must be held for a year and if you redeem them before 5 years, there's a very small penalty. You lose the last three months worth of interest. So you still get your entire principle preserved and you get most of your interest. You just don't get the last three months.

So this is an instrument that's offered by the U.S. government and they - the government would like you to hold onto these. They're designed to be long-term instruments which is why they have that holding period there.

And if you lose them they can be replaced using this form. It's Form PDF1048. You need to get your signature certified from the bank and then mail the form to Treasury.

I talked about being able to buy these as gifts for people and this turned out to be a very significant finding in our pilots. People can buy bonds for themselves and on the Form 8888 for up to two other people so you can buy it for your kids, your grandkids, your nieces, nephews, et cetera.

And you don't actually need to have a social security number. So that's a pretty important point because you can decide to buy a gift while you're getting your taxes done and many people just make this decision about buying bonds when they hear about their refunds.

So the nice thing about it is you can just make this decision on the spot. You don't have to have any information beforehand. And you can - there's this concept of co-owner.

If you're doing your tax return and you want to buy a bond as a gift for your child, the way it works is the child will be along with you a co-owner of the bond.

So co-owner means that it's basically you own the bond with your child. And when it's time to redeem anyone can redeem the bond. The child would have to be over the age of 18 for redemption.

The next slide - this one shows a picture of a savings bond and you will see the type of bond that's available on the tax return is actually a series I-bond. I stands for inflation which basically means that this bond protects you from inflation.

So if the prices of bread and milk go up, the inflation rate - the interest rate on the bond incorporates that rise in price or inflation and protects you from continued increases. It's actually one of the few products that's available for the small end - small saver that has this feature.

On slide 10 which is where I am right now, there is a typo. The return on the bond is 3.06. It's not 4.6. I apologize for this. The next slide also has interest rate and it has

the correct one. But some features and benefits of bonds, they're very competitive. How many products that you know that you only need to lay out \$50 and you can get 3.06% on it?

They're better than CDs and better than almost all savings accounts. There are no fees. Like I talked about the convenience of being able to get these on the tax form you can give these as gifts which is a very unique feature of a savings product. There's not too many savings products that you can just buy off the shelf and give as gifts to people. I talked about the inflation and loss and theft protection.

This slide, slide 11 talks about the comparative rate and comparative features of bonds. So of the areas that are marked with a red circle and oval are the ones that stand out in comparing this product to other savings products.

So the rate of return like I said is competitive. There are no fees. You only need a minimum to open \$50. And if you look at the interest rates on the CD for example, it's less than what you're getting on the bond right now but yet you have to put in a lot more money up front. So there's a lot of things that make this a good product for a lot of people. That low barrier to entry is one of them.

I already talked about the gifting feature and the check systems review - I said earlier on in the presentation that people who have maybe had a troubled financial history cannot even get - to be able to open savings accounts.

And one of the reasons for that is they get listed in the system which is called checks systems and you get basically it stays there - your account stays blacklisted for several years.

So that's one of the reasons when you go to open an account and you have this problem most banks won't open a savings account for you. That problem doesn't exist with the savings bond. So a lot of features that makes this product suitable for low income people who may not have had a great financial history.

Switching gears a little bit, I want to talk about why this is good for your clients, for your low income people you serve. Basically people like them. We did surveys of people who bought bonds and we surveyed them after they bought the bonds and they still said they would recommend bonds to their friends and families.

A lot of people were familiar with bonds. I don't know how many of you were given bonds as gifts when you were children growing up but a fair amount of our pilot bond purchases knew about bonds and liked them and therefore they bought again when they had the opportunity.

More than 70% of bond buyers bought for others and many of them are buying it for their kids' future for their education, for retirement and a lot of them are holding onto them for the long term. This is actually a little bit surprising.

So one of the facts that's listed here is that two-thirds of people still had saved after three years because we actually were able to get the Bureau of Public Debt to track

redemption history of our bond buyers and we found that they were not redeeming any different than the general population. So that was an interesting finding as well. So people are holding onto their bonds.

So in 2009 the Obama administration launched this campaign, sort of launched this policy on the form and we've been at D2D have been working to build a awareness of the campaign and this Webinar is actually one of the ways in which we are doing that. But there are many other ways which I'll get into in the next couple of slides.

So what have we found so far? In 2011 alone, 45,000 people impacted by bonds on the tax forms and we, again, worked with the Bureau of Public Debt to get some data on buyers from the previous year and it turned out that more than 25% of people who bought in 2010 bought again in 2011.

And more than 73% of bond buyers in 2011 were actually of adjusted gross income less than \$50,000. So lower income people are buying these. They continue to buy them.

So what are we - where are we going with this? So we want to help people associate tax time with saving, right, and we're using savings bonds as a tool to help do that because of the features I just talked about.

Within 10 years we hope that one million people will save about 500 million dollars each year through the tax time savings program. So we have ambitious goals and we're trying to get as many people to save as possible.

We have launched this campaign last year. It's called basically the title of this presentation which is called, Saving is Hard, Bonds Make It Easy. The poster in the - on the slide there is an example of one of our pieces of collateral which is kid-focused for the obvious reasons because people are buying these for their kids.

And the theme is about dreaming and what do you want to be when you grow up. So that's a little bit about the campaign that we at D2D are running. And using this to build awareness of the policy that the Obama administration implemented in 2009.

So since 2007 I said we'd had several VITA sites across the country running our pilots, participating in our pilots. We have a very broad coalition of non-profit government private sector groups around the country called the savings bond working group.

So we're inviting as many people as possible to join our campaign to pledge to buy a bond in 2012 to promote it at your tax sites if you run tax sites. I know not all of you probably run tax sites but if you do to promote it we have materials that we can share with you.

There are other ways you can spread the word and we have tools available to do that, include blubs about that policy in your newsletters or email blasts, encourage public officials to publicize the policy and provide opportunities like this to hold

Webinar training opportunities for your partners. And we have a Web site, a campaign Web site that's bondsmakeiteasy.org.

We have collateral like the one you saw with the little girl. We have three other different kids featured in those collateral and we encourage you to download them and distribute to your partners through your networks. And especially if you run a VITA site you can use them for outreach there as well.

For 2012 we have an additional direct to consumer track that we're trying to do. We're driving people to tax preparation, places online as well as doing the offline campaign at the VITA sites.

So we have something that we call that's a call to action that's available online that will drive people to - for example myfreetaxes.com is a tax preparation Web site that's run by one economy that allows people to get their taxes done for free.

And wherever we have our presence online we're trying to drive people to one of - a couple of different tax preparation - free tax preparation sites online and myfreetaxes.com is one of them. We have a partnership with them this year. And we're trying to build that kind of connection with other places online.

So this is the first year online that we are taking our awareness campaign to the next level and driving to action. So if you're running a VITA site, you know, you're in the perfect position to be able to help drive that action because that's where the rubber meets the road and people can actually take advantage of this policy right there when they're getting their taxes done.

I did want to say that, you know, we've been doing this now with some sites since 2007 and, you know, there's one site in Boston that has been a pilot site for a long time since actually - since actually probably one of the first sites and they have people who come in there to get their taxes done and now they ask for savings bonds.

So they have come to associate tax time with savings and in this case with savings bonds and that's our goal. But it takes a long time so I'm not suggesting that, you know, you can go out and if you're running a VITA site you're going to have a lot of take up of the bonds. But it takes a while to get there.

You know, we've had take up of anywhere from like 5 to 15% and for first time sites it's probably even lower than 5%. So what that means is for one - basically five out of every hundred people say yes in a typical provider environment. And that number increases the longer the site offers these bonds.

So don't be discouraged if you're running a VITA site. You will get to where your clients will be interested in bonds. If not this year then in subsequent years.

Other things we're doing. We again for this year we are launching a texting campaign so we're encouraging our members to find out more about savings for the

future and we're asking people to share their codes and their newsletters and their Web sites and any other printed materials.

Our collateral this year which is available online has a texting code embedded in it as well. So if you have the opportunity to spread the word we can get you that material. A lot of it is available online. We have some - a few spares that we can send select folks but in general if you can put this information into any of your communications that will go a long way in helping to spread the word.

If you have a Web site or Facebook or Twitter pages, remember I talked about a call to action widget. It's a - the call to action widget is basically a little - like a very micro micro Web site that has three or four different tabs and one of those tabs is a call to action that I talked about earlier which drives people to take action.

Currently the action we have embedded on that widget is to pledge to buy a bond but as we get closer to tax season we'll be driving people to those free tax preparation sites online like I talked about.

We have banners that we can help - that we can provide if you have a Web site and you'd like to put a banner on it. We have those as tools that we can provide you and we have an entire tool kit that includes sample Facebook and Twitter posts and we have a blog site as well.

So we have lots of ways that if you're interested in helping us build awareness of the program which I hope you will be. We have lots of ways that we can help you do that.

So I'm nearing the end of my presentation here but there are a few actions that are pretty simple that you can take to help build this awareness, build this community online.

You know, everybody here probably is on Facebook. If not, it's pretty simple to click the like button. We ask that you do that if you will, follow us on Twitter, pledge using our widget to buy a savings bond and view and share our videos on YouTube.

And that's all I have to say about the tax time policy and our campaign. (Stephanie) back to you.

(Stephanie Wharton): All right. Thank you very much, Preeti. We're going to go ahead and switch it over to Miriam now from CAAB. She's going to go through kind of what it's like on the ground to work with clients and offering savings bonds.

Miriam Savad: Thanks, Preeti, I will make sure not to feel too discouraged and hopefully will give some words of encouragement to everyone on the call. So it's good to be here, thank you.

So, I'm Miriam. I work with an organization called Capital Area Asset Builders. And we're a small non-profit in Washington, D.C. and we're an asset building organization.

And our real drive and mission is to help families and help people help themselves and help them build better futures through financial education, through advocacy and policy investments and careers and education and by reinforcing healthy financial behaviors.

And so one of the main ways we do this - and just switch to the next slide - is through our - great - is through what's called the D.C. earned income tax credit campaign.

So these are our VITA sites and we as well as several partners, one being Community Tax Aid and as well as a number of different site partners put on this large campaign during tax season every year.

And we have about 11 or 12 sites within the district and within the metro region and we serve about 6000 filers every year. So it's a large campaign and we're a staff of eight we take advantage greatly of volunteers. There's about 500 volunteers that do the actual tax preparation.

The CAAB's goal is really to do sort of the asset development. And what Preeti talked about is that tax time is a really important time to be able to connect people to connect to perhaps other services or help them take positive financial steps And that's sort of CAAB's niche.

And if we go to the next slide the main way that we do that is through a program that we've developed called the savings promoter program and this is something that we've created over the past few years.

It's definitely still sort of in its infancy toddler stage. It's definitely a learning and growing phase that we continue to revise every year. So I think this is the third or fourth year that we've been doing this program. And so there's really several roles and goals of savings promoter.

One of the key things is that they perform actually the prescreening and the intake for the filers at the tax sites. And after doing that the real goal is to say how can we take advantage, what are the positive financial steps that I can now do, what resources can I connect these people to, how do we start getting individuals to start thinking and answering some of these questions that are up there. So those are really sort of the main objectives behind the program.

We have about 60 to 100 volunteers that work as savings promoters throughout the tax season. We have anywhere between 2 to 4 or so at each tax site. Our tax sites do vary greatly by size, by just the geography and the layout, so it does depend I guess on the volume how many savings promoters are there.

But generally we have, you know, about 60 to 100 volunteers and they have to do about - we ask them to do about one four-hour commitment every week during tax time. So it is a fair amount of commitment. It's the same amount that we actually ask of our tax preparers as well.

Let's go onto the next slide. So in addition to savings bonds, we offer a variety of different sort of asset building offerings and these are things that we've done throughout the past few years.

So one thing that we do at CAAB is we offer money management classes and we offer those throughout the year to the community for free and so that's one of the main things that we offer and we want to make sure that the savings promoters are connecting the filers to perhaps educational resources like the money management class that they can take advantage of.

So that's sort of one of the big things that we've worked to try to connect people to as well as credit counseling. Some of our sites - some of the sites actually have their own classes in credit counseling that they do actually on site, not all of our sites. So some of our sites do vary but we have done the credit counseling there. Savings bonds, of course, is one thing that we offer.

Bank on D.C., if anyone else is familiar with Bank on USA which is a large national campaign working to get unbanked and underbanked individuals into sort of mainstream financial products and institutions whether they're a participating credit unions or traditional banks.

And so they generally have very low barrier accounts and very low fees and sometimes they offer accounts - second chance accounts for those in the check system. So those are accounts on site so people can actually go and open a bank account right there so we have the representatives right there.

Other things that we've offered are prepaid debit cards where filers in turn instead of getting a check they can actually get their refund put onto a debit card. We've also done free check cashing where we've had one bank in particular to allow individuals to go to specific branches and actually get their check cashed for free.

So we're trying to make sure individuals can actually go if they're going to get it cashed, let's get them cashed for free instead of going, you know, somewhere else where refund checks, you know, they can pay up to 5% if not more of the actual check to get it cashed.

And another thing we do is (SNAP) or food stamp applications and that's actually not kind of a separate way of running this is that we will partner with another organization called D.C. Hunger Solutions and all their volunteers look just like the one up there and they all wear their shirts and to (SNAP) outreach and it's sort of separate from our savings promoters.

This is the only thing that they do. They go on site, they coordinate their volunteers themselves and they actually go out and do prescreening for food stamps and that's been actually enormously successful. They've been able to reach and get info to one out of every three clients at the tax sites and have quite a few that have actually applied. So that's been really one of our successful things.

Of course we've seen different uptake with a variety of these. One thing that we are proud of is that we've had 12% of clients take advantage of at least one opportunity. So that's great.

One issue that we run into is that individuals will sign up for perhaps the money management classes but then won't actually come through the door, maybe won't complete the classes.

We've run into issues with the Bank on D.C. accounts where people may sign up but we may not end up getting the data so it's hard to know exactly how many are going to be there.

The prepaid debit cards have been sort of more onerous in the filling out process, actually getting the card. They can be very complicated to explain. Some of the debit cards may not actually be as solid as others or may not be as advantageous. So those are different things that we've run into.

One other thing that we've tried if you go to the next slide is we've done financial affairs. Next slide please. So we've done these great fun events called financial fitness fairs and we've found these to actually be really successful if we do educational sort of also fun events at a tax site or right next to a tax site.

We've had really high attendance rate for those. There's been a lot of cross promotion between the fair, between the tax site, between our organization, able to get public officials and able to actually have a lot of fun in how we market that.

So we found by - and also we did this actually this was at a library and we found that it's best to do an event where people are already coming so it's worse to do something sort of off site or at a different type of location or one where there isn't a lot of traffic anyway. So it's something like a library or other type of building tends to be a better option that we've seen.

Great, so definitely what we've found is that this entire process the past couple of years has been a big learning process and hopefully I can give you a couple tidbits if you're starting to think about how to incorporate development at a tax site.

Here's some tips that we've had. A savings promoter has worked really well as to be the one to does the initial greeting, the prescreening and going through the intake paperwork with a client.

And by doing that first they're actually able to sort of position themselves to then move to a conversation around asset building, about savings, about letting them know about other resources that are there. And then if they weren't doing that intake, it becomes a much harder step to then have that kind of conversation.

We've also incorporated of course VITA sites there are certain questions you have to have on the intake paperwork but we've included other questions such as, you know, what are you going to do with your refund this year, are you interested in opening an account or do you want to use direct deposit, are you interested in

splitting your refund, you know, those types of questions that the savings promoter can then look at to then sort of then launch off of into more of a discussion on asset building. So we found linking those has been really key.

The next piece is that less definitely is more. We have gone through the past couple of years where we've wanted to make sure something is offered for everyone that not just savings bonds but the classes, the bank accounts, prepaid cards, so many things that it was too much almost for the savings promoters to keep track of let alone for the filers to understand.

And we found that obviously if there are too many things and too many choices then they're not going to choose at all. So narrowing that down is going to be the best thing in honing in even if it's just one or two or three or four options and that way the savings promoter can more easily tailor a conversation for just one option.

We found that it's nice to have at least one baseline product or service that could be offered to everyone whether it's a savings bond or in our case we tend to use the money management class because everyone could use the opportunity to educate themselves more. That's something that we found to be helpful.

We've also found that given the savings promoter's more experience with financial education, we've gotten some feedback from savings promoters that, you know, they don't want to feel of course like they're selling something.

And of course we don't want that either so one thing that we're trying this year is to provide them with a little bit more in depth training about financial education, how to actually train them to have those kinds of discussions or presentations even.

Because as I mentioned earlier, tax sites do very greatly in size and in structure and so some are much larger where clients are waiting for a long time and they can actually go and do a presentation.

So we're going to prepare a savings promoters who may not have a background whatsoever in financial education but be able to give them, you know, the tools to do a five or ten minute presentation on can you afford your life, give them a taste.

We're not in the position to be able to incentivize monetarily individuals to come to a class or to offer them to a raffle at this point so we want to make sure that, you know, get them starting to think and get them in the mindset and we're hopeful that doing them in this kind of module will be the way to do that.

And we're also including this year we're doing a specific handout that actually is sort of a checklist and a sort of a self assessment that individuals can fill out while they're sitting there as well so that can also be a tool for the savings promoters to help, you know, sort of launch into the next thing or how to get them to connect to another product.

And with that there's of course some more that I can always ask and answer so feel free to be in touch if you have any questions or thinking about getting this started or

thinking about how to bring asset development to a tax site, always more than happy to be a resource. Thanks very much.

(Stephanie Wharton): All right. Thank you, Miriam. We're going to go ahead and switch now to our final presenter, Jenny Graybill. She's going to speak for about 10 minutes and if we have time we might have some - a few minutes for question and answers. So with that I'll turn it over to Jenny.

Jenny Graybill: Hello, everyone. I represent Human Services Programs of Carroll County Incorporated or HSP. I'm here to talk to you about our specific success on savings during tax time. So just a little bit of information on our area and our agency. Next slide. Okay. That's good.

We are located in the Baltimore Metropolitan area. Carroll County is a rural Maryland county. We have over 175,000 residents. In the last ten years, our county's median income has grown by almost \$20,000 while the number of families and individuals living below the poverty level has increased by 2%.

HSP is Carroll County, Maryland's dedicated community action agency incorporated in 1987 we have provided life-changing services for over 25 years.

HSP's mission is to improve the quality of life and self sufficiency of at risk and low income Carroll County residents providing assistance with basic needs, advocacy, linkages to resources and opportunities to enhance life skills.

Our agency offers a variety of comprehensive direct services ranging from shelter and housing programs, emergency assistants, community services and our family support center. Anyway we serve more than 4000 families which means that we serve 7,600 men, women and children.

HSP implemented opportunity work in 2009 to provide individuals with significant barriers the opportunity to increase their income and move out of poverty.

Opportunity work encompasses hands-on job training, soft-skill development and financial stability support services. We prepare participants to secure gainful employment, develop work ethic and provide financial education and tax preparation services to promote self sufficiency.

We became a VITA site in 2010. We currently partner with the Marilyn cash campaign which is a statewide partnership which helps support us and the Maryland Department of Housing and Community Development. Truly, without their success we could not accomplish what we have achieved in the last two years.

So in our first year we completed 132 tax returns. In 2011 we completed 193 tax returns putting almost \$500,000 back into our community. This was a 46% increase in one year.

Tax time is really the perfect setting to engage clients in financial education and asset development. It's always easier to think about budgeting when you actually

have money in front of you. We started by handing out financial 101 flyers to our tax preparers and these were on 4 different subjects on which is budgeting, savings plans, identity theft and credit.

And in our second year we started selling savings bonds and partnership with the Maryland Cash campaign and the D2D fund. We were a pilot site last year.

So our VITA site managers participated in savings bond training provided by Maryland Cash and then we trained our local volunteers to also talk about and be knowledgeable on savings bonds.

Our CY partnership Maryland cash sponsored a tax payer giveaway that was open to the entire state. So for every \$50 bond purchased, clients across the state were given a raffle ticket for an opportunity to win \$500. Four drawings were held during the tax season.

And so that's really where we started kind of our advertising campaigns. This is the flyer that we used. As you can see basically we started by grabbing people's attention to an opportunity to win money. Everybody wants to win money and so that's how we started talking to people about it.

And then we took a moment to educate our taxpayers about savings bonds. You know, all the benefits you guys heard earlier we talked to them about and again reinforcing the idea that if they save they have the opportunity to win some money.

And what we did is we posted the flyer throughout our agency. We actually placed a copy of the flyer inside every taxpayer's intake information so when they sit down and fill out all that IRS stuff for their tax return they had to see that flyer.

We then posted the flyer again in offices during tax preparation and on tax preparer's desks. And we also utilized a lot of the savings bond materials from D2D which included pins, posters and flyers and displays that we put throughout our agency as well.

And really the next step for us was really talking to our taxpayers. Volunteer tax preparers were trained to inform and encourage tax payers to purchase bonds through the interview process.

And then site managers when they conducted the quality review came in and again reminded clients about the opportunity to purchase bonds and the key thing that we did with the site manager - the site manager's are the ones that tell our tax payers how much the refund is. So again if you say that your refund is going to be 3 to \$4000 the decision to purchase a couple bonds is a lot easier.

Most of our bonds were sold within the first month of our tax season to families with high tax returns. Again, the bigger the tax return and especially working with parents makes it easier to save.

So what we did, this is a picture of our wall of savings. This appeared in our tax prep room and we received this big basically bond sticky notes that we had our clients fill out - our tax preparers fill out after they purchased bonds.

So they would sit down and write they bought this bond for my daughter Madison to go to college and become a teacher. So these were displayed in our offices so that when new taxpayers came in to get their taxes done they came in and they could see why people purchased bonds and what it was going for.

So our success, HSB's VITA site sold 76 bonds to 26 households totaling \$3800. 17 out of the 26 households who purchased bonds made less than \$25,000 a year.

A majority of bonds were purchased for minor children to help them go to college and we actually experienced a 14% uptake in bonds purchased. And so we are a small slice of the pie but we believe very mighty.

Our tax site actually had the highest percentage of taxpayers who bought bonds throughout our statewide campaign. And I just want to end with a very short success story that I think very much illustrates why we all do what we do.

We had a taxpayer come into our site last year who is totally and permanently disabled, receives her disability check but also works part time. That year she came in to have her taxes done. This client also suffers from a very chronic and severe and persistent mental health disorder. That year she had took care of her totally disabled son.

So when we were done her refund she received a pretty substantial return, several thousand dollars. We totaled the amount of her return and she immediately started balling, started crying.

She was so excited to be able to receive that kind of money and her first response was now I have the money to purchase a savings bond for my child. This is the first time and the only time in my life that I will ever have this kind of money to put to my son so that he has something when I die. And so she purchased \$800 in savings bonds. And so I think again that just hits home why we do what we do.

And so in 2012 where we are this year, we're going to continue to sell savings bonds, we have partnered with P and C banks to receive free direct deposit and check cashing to unbanked clients at tax time and we're also going to be launching a new program, the economic success program through an Annie Casey grant and that's going to be a (map) savings program to develop participant financial capacity and dedication to savings.

So in short basically by creating opportunities to both assets and save money we can stabilize homes, promote upward mobility and encourage financial independence.

Thank you guys very much for this opportunity.

(Stephanie Wharton): Thank you very much, Jenny. That was a really beautiful story you shared about your client. You're right. That is exactly why we're here. I want to think again - we will open up for our questions for Jenny and for Preeti. Miriam's going to have to leave the call but if you have any questions for her email address is included in the slide so you can contact her with any questions about how CAAB runs their program.

I do want to reiterate what everyone said today. We definitely heard a lot about savings bonds and, you know, the intricacies of what they are and how they work and hopefully some tools and great ideas between both of these grantees of how you can replicate this in your own program or work with the VITA sites in your community and share this information with them to get a larger take up.

We've also learned a lot about other savings options. Bonds are great but there's not just bonds. There's working with financial education. There's partnering with banks to get free or reduced cost accounts partners to have free check cashing. These are all ways to save money.

If you're not paying to get your check cashed you're saving money. So there's all sorts of different ways we can work with our families to help them save money.

So I hope you all have learned a great deal today and with that we're going to - the operator's going to open it up for questions. (Kathy).

Coordinator: If you would like to ask a question, please press star then 1. To withdraw a question please press star then 2. Once again, if you would like to ask a question please press star then 1. One moment for questions.

You have a couple questions coming through. We have a question from (Anne Weber)'s line. You may ask your question. Your line is open.

(Anne Weber): Thank you. Are the bonds available electronically when you submit the Form 8888?

(Stephanie Wharton): Preeti?

Preeti Mehta: Yes. Sorry I was on mute. No, with the Form 8888 you do get only paper bonds at this time.

(Anne Weber): Okay. Thank you.

Coordinator: We do have another question coming through. Looks like that line has decided not to ask their question. If you would like to ask a question, please press star then 1.

At this time I'm showing no questions on the phone lines.

(Stephanie Wharton): Okay. Well, if no one else has any questions right now then that's fine. You do have the contact information of all the speakers from today's call so please feel free to reach out to them with any questions.

And remember to go to the D2D site to get some free outreach information and materials and all that great stuff to start your campaign now for your family.

So again we thank you for taking the time this afternoon to learn about savings at tax time and we hope you have a great rest of the day.

Coordinator: Today's call has concluded. All participants may disconnect at this time. Thank you for attending today's conference.

END